

Message Text

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41

ACTION EUR-25

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 DRC-01 DODE-00 PM-07 H-03 L-03 PA-04 PRS-01

USIA-15 /176 W

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R 271541Z AUG 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4648

UNCLAS BONN 13546

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: FRANKFURTER HANDELSBANK CLOSED

1. THE GERMAN BANKING SUPERVISORY AUTHORITY WITHDREW THE BANKING LICENSE OF THE SMALL FRANKFURTER HANDELSBANK ON AUGUST 27 AND ORDERED ITS LIQUIDATION. THE BANK WAS FOUNDED AS A CATTLE MARKET BANK AND HAD A CURRENT BALANCE SHEET VOLUME OF DM 14 MILLION AND LIABLE CAPITAL OF DM 1.4 MILLION.

2. IT WAS REPORTED IN THE GERMAN PRESS AUGUST 22 THAT THE BANK WAS IN FINANCIAL DIFFICULTIES WHICH WERE ATTRIBUTED TO AN ALMOST TOTAL TURNOVER IN ITS BOARD OF DIRECTORS. THE MAYOR OF FRANKFURT AND THE CHAIRMAN OF THE BOARD OF THE FRANKFURT STADTSPARKASSE (CITY SAVINGS BANK) WERE RECENT DEPARTURES. THE STADTSPARKASSE HAD SOLD IN MARCH 1973 MORE THAN 75 PERCENT OF ITS OWNERSHIP OF THE BANK TO THE EQUITIES EXCHANGE CLUB VERWALTUNGS GMBH.

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3. WHEN ANNOUNCING THE BANK'S CLOSURE, THE BANKING
SUPERVISORY AUTHORITY STATED THAT THE ACTION WAS
REQUIRED BECAUSE OF HEAVY WITHDRAWALS WHICH UNDERMINED
THE INSTITUTION'S SOLVENCY.

4. THE ASSOCIATION OF GERMAN BANKS AND THE FRANKFURT
STADTSPARKASSE HAS GIVEN ASSURANCE THAT ALL NON-BANK
CUSTOMER ACCOUNTS WILL BE FULLY COVERED.
CASH

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NNN

Message Attributes

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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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